UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)

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Proposed Co-Counsel to the Official Committee of Unsecured Creditors

In re:

Case No. 19-12809 (JKS)

New England Motor Freight, Inc., et al., 1

Chapter 11

Debtors.

Hon. John K. Sherwood, U.S.B.J.

OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO CREDITORS JALIL WALTERS AND RASHEEDA CARTER'S MOTION FOR AN ORDER GRANTING RELIEF FROM STAY

¹ The Debtors in these Chapter 11 cases and the last four digits of each Debtor's taxpayer identification number are as follows: New England Motor Freight, Inc. (7697); Eastern Freight Ways, Inc. (3461); NEMF World Transport, Inc. (2777); Apex Logistics, Inc. (5347); Jans Leasing Corp. (9009); Carrier Industries, Inc. (9223); Myar, LLC (4357); Mylon, LLC (7305); Hollywood Avenue Solar, LLC (2206); United Express Solar, LLC (1126); and NEMF Logistics, LLC (4666).

The Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors and debtors in possession (the "Debtors"), by and through its proposed undersigned counsel, hereby files this objection (the "Objection") in to Creditors Jalil Walters and Rasheeda Carter's Motion for an Order Granting Relief from Stay [ECF No. 266] (the "Stay Relief Motion"). In support of this Objection, the Committee states as follows:

BACKGROUND

- 1. On February 11, 2019 (the "<u>Petition Date</u>"), the Debtors each filed a voluntary petition for relief under chapter 11 of tile 11 of the Unites States Code (the "<u>Bankruptcy Code</u>") in the United States Bankruptcy Court for the District of New Jersey.
- 2. The Debtors continue to operate their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases.
- 3. On February 21, 2019, the office of the United States Trustee appointed the Committee as the statutory fiduciary for the Debtors' body of unsecured creditors pursuant to section 1102(a)(1) of the Bankruptcy Code.
- 4. On March 18, 2019, Jalil Walters and Rasheeda Carter (collectively, the ("Personal Injury Claimants") filed the Stay Relief Motion. The Stay Relief Motion seeks relief of the automatic stay pursuant to 11 U.S.C. § 362 so that the Personal Injury Claimants can proceed in their personal injury action filed in Pennsylvania Court against Ronald Lamka, the Shevell Group of Companies, LLC, and Debtors New England Motor Freight, Inc. and Eastern Freight Ways, Inc., but only, with respect to the Debtors, as to the Debtors' insurance proceeds.

- 5. On March 14, 2019, the Debtors commenced an adversary action in this Court at Adv. Pro. No. 19-1119-JKS (the "<u>Adversary Action</u>"). The Adversary Action seeks to enjoin the continuation or commencement of certain actions seeking to (i) hold the Debtors' employees and/or former employees liable for certain automobile-related claims committed in the course of their employment with the Debtors and/or (ii) lift the stay to proceed solely against excess coverage that may be available pursuant to the Debtors' insurance contracts.
- 6. That same day, the Debtors filed the Debtors' Motion for an Order (I) Preliminarily Enjoining Certain Actions Against Non-Debtors, or (II) In the Alternative, Declaring That the Automatic Stay Applies to Such Actions and (III) Granting a Temporary Restraining Order Pending a Full Hearing on the Motion (the "Preliminary Injunction Motion") [Adv. ECF No. 3). The Preliminary Injunction Motion seeks to preliminarily enjoin the Personal Injury Claimants and others from commencing or continuing to prosecute personal injury actions related to Auto Liability Claims (as that term is defined in the Preliminary Injunction Motion).

OBJECTION AND JOINDER

7. The Committee joins in the arguments set forth in the Preliminary Injunction Motion and, for the reasons set forth therein, objects to the Stay Relief Motion.

RESERVATION OF RIGHTS

8. The Committee expressly reserves its rights to raise any and all objections to the Stay Relief Motion and nothing in this Objection shall be deemed a waiver of the Committee's right to raise any objection to the Stay Relief Motion

CONCLUSION

WHEREFORE, the Committee respectfully requests that the Stay Relief Motion be denied or, alternatively, preliminarily enjoined.

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